

10 The Cal Grant Reconciliation Process

“ The Institution agrees to reconcile Cal Grant expenditures for each award year on a student-by-student basis. The Institution certifies that it has paid each student an amount that reconciles to the Commission’s records for both Cal Grant funds expended and student attendance. ”

Institutional Participation Agreement, Article IV, D-5

10.1 The Reconciliation Process

Reconciliation is the process of comparing the transactions reported by the school with transactions accepted and reconciled by the Commission. Reconciliation is not accomplished until the school’s records match the Commission’s records exactly. The reconciliation process is ongoing throughout the year, not just an end-of-the-year function.

The following are keys to a school’s successful reconciliation process. Each school should:

1 Account for funds received by the institution

The first step to successfully managing Cal Grant funds is ensuring that the cash management procedures, described in Chapter 9, are followed. The school must establish a separate accounting ledger for Cal Grant funds. A successful reconciliation process includes all offices that award, disburse or receive Cal Grant funds. Examples include Financial Aid, Registrar, Bursar and Accounting. Coordination between offices is essential to ensure that student records are consistent and that all systems are in balance.

2 Have documented procedures for transferring information between the Commission’s database and the school’s database

Each school must develop a system of accounting for Cal Grant funds. The reported attendance status and payment amount for each student must be the same on the Commission’s records as it is on the institution’s records.

When adjusting payments on either system, the school must ensure that a corresponding adjustment is made to the other. For example, if a student drops from full-time to half-time and his/her Cal Grant payment is adjusted, the adjustment must be reported to the Commission and also entered into the school’s database.

3 Work Commission reports on a regular basis

The following is a list of the reports that should be used in the reconciliation process:

a. **Accept/Reject Report**

- Produced weekly, following payment processes
- Provides a detailed listing of each payment transaction processed and whether it was accepted or rejected by the Commission

b. **Payment Activity Report**

- Produced monthly, following the month end cycle
- Provides a summary of the funds reconciled by the Commission and the fund balance

c. **WebGrants Reconciliation Report**

- Partial update weekly; full update monthly
- Provides cumulative year-to-date student level data for all payment transactions

d. **Leave of Absence Report**

- Updated weekly, following payment processes
- Provides a cumulative year-to-date list of students who have a leave of absence transaction posted and the term(s) in which the leave of absence was used

e. **Withdrawn Student Report**

- Updated weekly, following payment processes
- Provides a cumulative year-to-date list of students who have been withdrawn from the Cal Grant program.

Samples of each of the above reports are contained in Section 10.6.

10.2 Weekly Reconciliation

The Commission processes payments at the end of each week. All payment transactions, including school changes, submitted during the week are processed. A new payment roster is created, both the Roster and Reconciliation screens on WebGrants are updated, and a summary of all transactions for each institution is produced as a result of the weekly cycle. The transaction summary is the *Accept/Reject Report*.

The Accept/Reject Report- payment transactions submitted through a data file, keyed directly into WebGrants, or entered by the Commission are all listed on the Accept/Reject report. The report represents weekly activity; it is not cumulative. The report is available on WebGrants in both a data file and a report format.

This report is divided into two sections:

- The *Rejected* section contains a list of transactions that rejected during the payment processing cycle. The reject reason is indicated on the report, along with the transaction detail.
- The *Accepted* section lists transactions that have been accepted and the transaction detail.

Working the Report

Schools should regularly check the Rejected Section for transactions that were not accepted and should review the reject reasons and make the appropriate corrections. If the student is not eligible for payment, the school's records should be corrected. If the student is eligible for the payment, the payment transaction should be corrected and resubmitted to the Commission through the normal payment processes. Schools may call the Commission's Grant

Operations staff for assistance in resolving any problems that they encounter in posting payment transactions.

Common Payment Errors- The Reject Reasons Table, included in Section 10.6, helps schools resolve rejected transactions, including:

- *Need must be reported for renewal students*
- *Student was already paid at another school*
- *No transaction was reported for the initial fall term*
- *Student not in an eligible award status*
- *Payment exceeded prorated amount*

The Accepted Section of the report lists all of the transactions that were posted to the Commission's database along with a summary of the total number of transactions and the total dollar amount. Schools should review this section to check that the payments listed are reflected on the school's database and in their accounting records.

Student-by-student reconciliation is critical. It is possible for the total dollar amounts to match exactly and still have student-level errors. For example, a payment could have been inadvertently keyed for the wrong student (see *Figure 1*). The total number of transactions and the total dollar amounts included in the summary should match the institution's records.

Figure 1

Reconciliation Example**Payments Processed by CSAC**

Karen Banning	\$775
Tim Chan	\$4,416
Ali Hamiel	\$775
Margaret Kith	\$5,191
John Smith	\$4,416

Total	\$15,573
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Payments Disbursed to Students

Karen Banning	\$775
Tim Chan	\$4,416
Ali Hamiel	\$775
Margaret Kith	\$775
Julio Sanchez	\$4,416
John Smith	\$4,416

Total	\$15,573
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In this example, the total dollar amounts match, but the student-level detail is not the same. The student Julio Sanchez received a payment of \$4,416 according to the institution's records, but this payment does not appear on the Commission's records. For the student Margaret Kith, the institution's records show a payment of \$5,191, a difference of \$4,416.

10.3 Monthly Reconciliation

Once a month, the Commission totals all of the payment transactions submitted by each institution and adjusts account balances accordingly. If additional funds are owed, payment is issued to the school. As a result of this process, the *Payment Activity Report* is produced. It provides schools with detail and summary information on:

- term advances
- reconciled and accepted payment transactions, and
- Cal Grant fund balance

The Payment Activity Report- incorporates all of the accepted payment transactions for the previous month. The report consists of two parts-

- the Accounting Summary, and
- the Payment Transaction Summary

Both sections of the report are produced regardless of whether or not the school reported transactions during the previous month. *These reports are informational only and should not be returned to the Commission.*

Working the Report

The Accounting Summary- provides the school with cumulative chronological information regarding the funds it has received from the Commission. Funds received and payment transactions are compared on the report and the resulting balance, or the amount of cash the school has "on hand," is calculated and displayed. The balance must match the school's Cal Grant fund balance exactly.

The Payment Transaction Summary (Summary)- provides schools with detailed information regarding reconciled and accepted payment transactions. The Summary has two sections:

a The Payment Transactions Reconciled-

section contains the total dollar amount of reconciled payment transactions for the month's activity.

b The Accepted Payment Transactions-Not Reconciled-

section reflects payment transactions reported by the school for "future" terms, or terms for which the school has not already received advance funds. When the advance for that term has been disbursed, these transactions will be transferred to the Payment Transactions Reconciled.

Both sections of the Summary have two parts: current and year-to-date activity. Each part of the Summary contains detailed information regarding the amount of the school's reported payment transactions for each term, with column totals provided. Schools should compare the information contained in the Summary with institutional records and resolve any discrepancies. Schools may need to review previous Accept/Reject reports to determine where the discrepancies occurred.

10.4 Year End Reconciliation

Following the end of each academic year, the Commission runs a final payment cycle and produces a final account balance for each school. Any institutions that still have Cal Grant funds remaining will receive an invoice for these funds.

In preparation for this process, schools are expected to make final payments by September 30 following the award year and resolve any outstanding payment issues during the months of October and November. To assist in tracking final reconciliation activities, the school should develop a summary form to document the process. All documentation should be retained by the institution and be available during a compliance review.

Each payment amount reported to the Commission must match both the Financial Aid Office's record of disbursement and the actual amount released to the student or the student's account. Each institution must reconcile its records at the Financial Aid Office to the records of the Accounting Office and/or the Burser's Office. These records must then be exactly reconciled with the Commission's records.

Sample Reconciliation Worksheet- the Commission has designed a sample reconciliation worksheet that lists the basic steps a school can follow to perform the reconciliation of Cal Grant payments with school records.

10.5 WebGrants Reconciliation Reports

Other tools for reconciliation

The WebGrants Reconciliation screens contain a variety of report options for schools to use in balancing institution records to Commission records. These reports are updated weekly. However, until the month-end process is completed, the transactions will show as "accepted" but not "reconciled." Schools may filter their reports to include only the reconciled payments. The Roster/Reconciliation Users Guide located in the Help Center on WebGrants contains additional information about the WebGrants reconciliation screens.

The CSAC Standard Format- contains all reconciled and accepted student records. The Basic Report Filter provides schools with the option of limiting the report to a specific term, program and/or award type. *For example*, if a school is reconciling payments and determines that the Cal Grant B Access amount for the fall term does not match, the school may create a list that contains only the students for whom the

Commission shows a fall Cal Grant B Access payment.

Customize Roster Formats- allows schools to sort and filter data to tailor reports to internal specifications. Schools may select which data elements are displayed, the order of those data elements, and then filter the records to be included.

The Student on Leave Report- is a cumulative list of all students who appeared on the institution's payment roster, for whom a leave of absence has been reported.

The Student Withdrawn Report- is a cumulative list of all students who appeared on the institution's payment roster, but were withdrawn during the academic year.

10.6 Report Samples and Field Descriptions